

§ 3284.5

§ 3284.5 How do unit operations affect lease extensions?

(a) Once the minimum initial unit obligation is met, lease extensions approved under § 3207.17 of this chapter based upon unit commitment will remain in effect until the unit is relinquished, expires, terminates, or the lease on which the initial unit obligation was met is eliminated from the unit.

(b) As long as there are commercial operations within the unit or there exists a unit well that BLM has determined is producing or utilizing geothermal resources in commercial quantities, lease extensions for any leases or portions of leases within the participating area will remain in effect as long as operations meet the requirements of § 3207.15 of this chapter.

§ 3284.6 May BLM authorize a working interest owner to drill a well on lands committed to the unit?

(a) BLM may authorize a working interest owner to drill a well on the interest owner's lease only if it is located outside of an established participating area. However, BLM will only do so upon determining that:

(1) The unit operator is not diligently pursuing unit development; and

(2) Drilling the well is in the public interest.

(b) If BLM determines that a working interest has completed a well that will produce or utilize geothermal resources in commercial quantities, the unit operator must:

(1) Apply to revise the participating area to include the well; and

(2) Operate the well.

§ 3284.7 May BLM authorize operations on uncommitted Federal leases located within a unit?

BLM may authorize a lessee/operator to conduct operations on an uncommitted Federal lease located within a unit if the lessee/operator demonstrates to our satisfaction that operations on the lease are:

(a) In the public interest; and

(b) Will not unnecessarily affect unit operations.

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§ 3284.8 May a unit have multiple operators?

A unit may have only one operator.

§ 3284.9 May BLM set or modify production or injection rates?

BLM may set or modify the quantity, rate, or location of production or injection occurring under a unit agreement to ensure protection of Federal resources.

§ 3284.10 What must a unit operator do to prevent or compensate for drainage?

The unit operator must take all necessary measures to prevent or compensate for drainage of geothermal resources from unitized land by wells on land not subject to the unit agreement (see §§ 3210.16 and 3210.17 of this chapter).

§ 3284.11 Must the unit operator develop and operate on every lease or tract in the unit to comply with the obligations in the underlying leases or agreements?

The unit operator is not required to develop and operate on every lease or tract in the unit agreement to comply with the obligations in the underlying leases or agreement. The development and operation on any lands subject to a unit agreement is considered full performance of all obligations for development and operation for every separately owned lease or tract in the unit, regardless of whether there is development of any particular tract of the unit area.

§ 3284.12 When must the unit operator notify BLM of any changes of lease and tract commitment status?

The unit operator must provide updated documentation of commitment status (see §§ 3281.8 through 3281.10) of all leases and tracts to BLM whenever a change in commitment, such as the expiration of a private lease, occurs. The unit operator must submit the documentation to BLM within 30 days after the change occurs. The unit operator must also notify all lessees and mineral interest owners of these changes.